



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF DIRECT LEASE TO VANGUARD CAR RENTAL  
USA, INC., DBA ALAMO RENT-A-CAR  
HILO INTERNATIONAL AIRPORT

HAWAII

The Department of Transportation (DOT) proposes to issue a direct lease to Vanguard Car Rental, USA, Inc., dba Alamo Rent-A-Car (Alamo) of land adjacent to Alamo's existing baseyard at Hilo International Airport on the Island of Hawaii to accommodate its baseyard activity. Alamo is one of eight companies that hold current Rent-A-Car concessions at Hilo International Airport and is seeking to lease land that previously was used by a competing car rental company.

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.  
Chapter 171, Hawaii Revised Statutes, as amended.

APPLICANT / LESSEE:

Vanguard Car Rental USA, Inc. dba Alamo Rent-A-Car, incorporated under the laws of Missouri, authorized to do business in the State of Hawaii.

LOCATION AND TAX MAP KEY:

Hilo International Airport, Island of Hawaii, Hawaii  
Tax Map Key: 3<sup>rd</sup> Division, 2-1-12:Portion of 9

PREMISES (as shown on attached exhibits):

ITO-009-107 containing an area of approximately 29,491 square feet

ZONING:

State Land Use District: Urban  
County of Hawaii CZO: Industrial (ML20)

LAND STATUS:

Section 5(b), Hawaii Admission Act – Ceded  
DHHL 30% entitlement lands: Yes \_\_\_ No X

TERM OF LEASE:

The Lease term will commence upon execution and end on May 31, 2019. The Lease requires the Lessee to have a separate Car Rental Concession Agreement in effect at Hilo International Airport throughout the term. The Lessee's existing Concession Agreement expires on May 31, 2014.

Should the Lessee not be a successful bidder for a successor Concession Agreement to commence June 1, 2014, the Lease will terminate and be issued to the new successful bidder who will be responsible for compensating the Lessee for any unamortized cost of the leasehold improvements constructed on the Premises.

ANNUAL GROUND LEASE RENTAL:

From commencement of the Lease through May 31, 2014: \$34,209.56 per annum, payable in monthly payments of \$2,850.75, in advance, based upon present ground lease rate of \$1.16 per square foot, per annum for the premises at Hilo International Airport.

From June 1, 2014 to May 31, 2019, the rental rate shall be the product of the square footage of the premises and the then applicable rate for improved, paved land for car rental use at Hilo International Airport.

IMPROVEMENTS:

The Concessionaire will be required to invest a minimum total of SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00) for improvements, fixtures, and equipment in all of the spaces assigned under the Lease in accordance with DOT and county building standards.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated November 15, 2000, the subject qualifies under exempt Class of Action No. 1 – "Operations, repairs or maintenance of existing structures, facilities,

equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.”

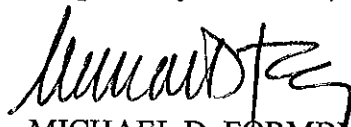
REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation proposes to issue a direct lease to Vanguard Car Rental USA, Inc., dba Alamo Rent-A-Car for the purpose of operating its concession at Hilo International Airport.

RECOMMENDATION:

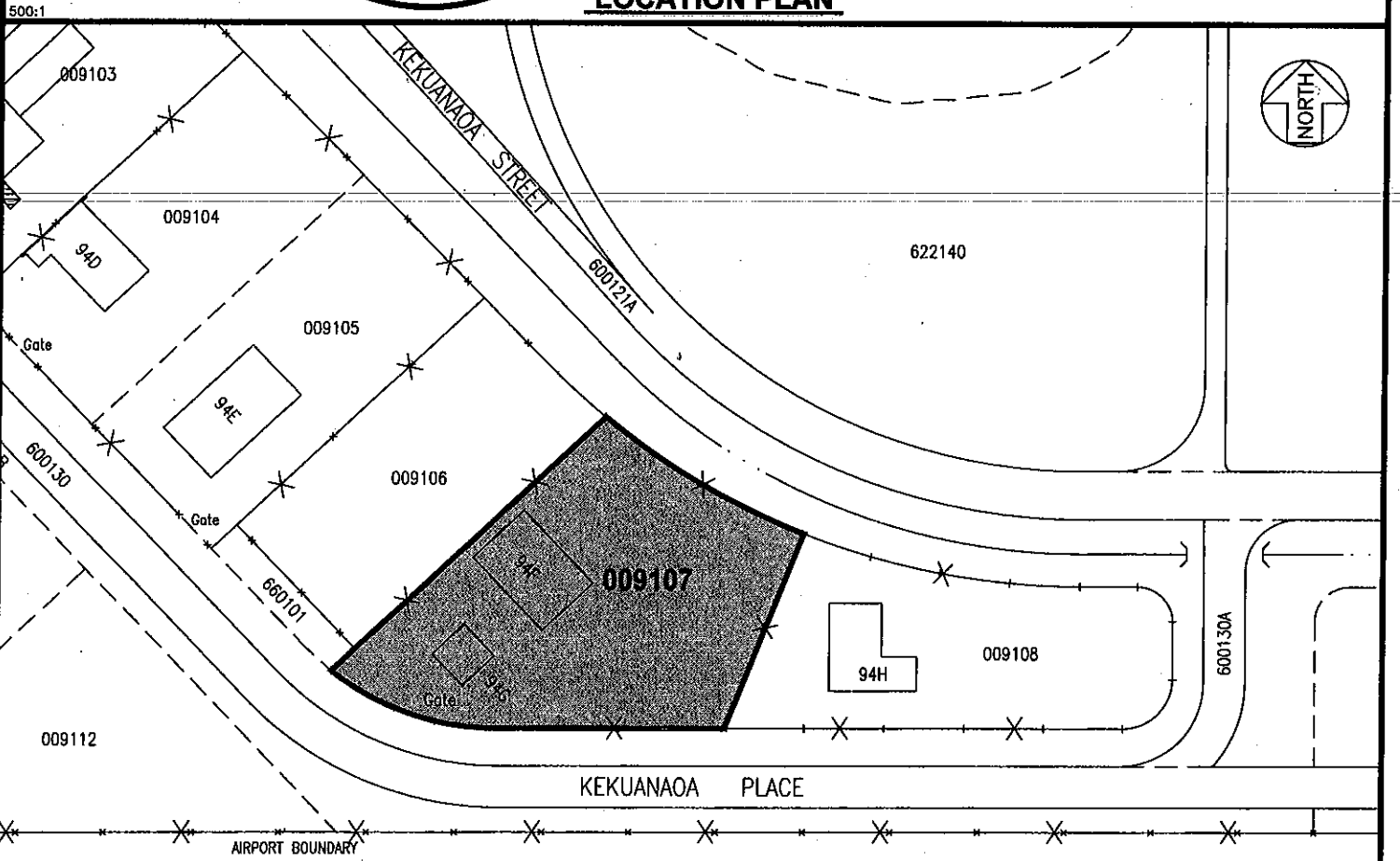
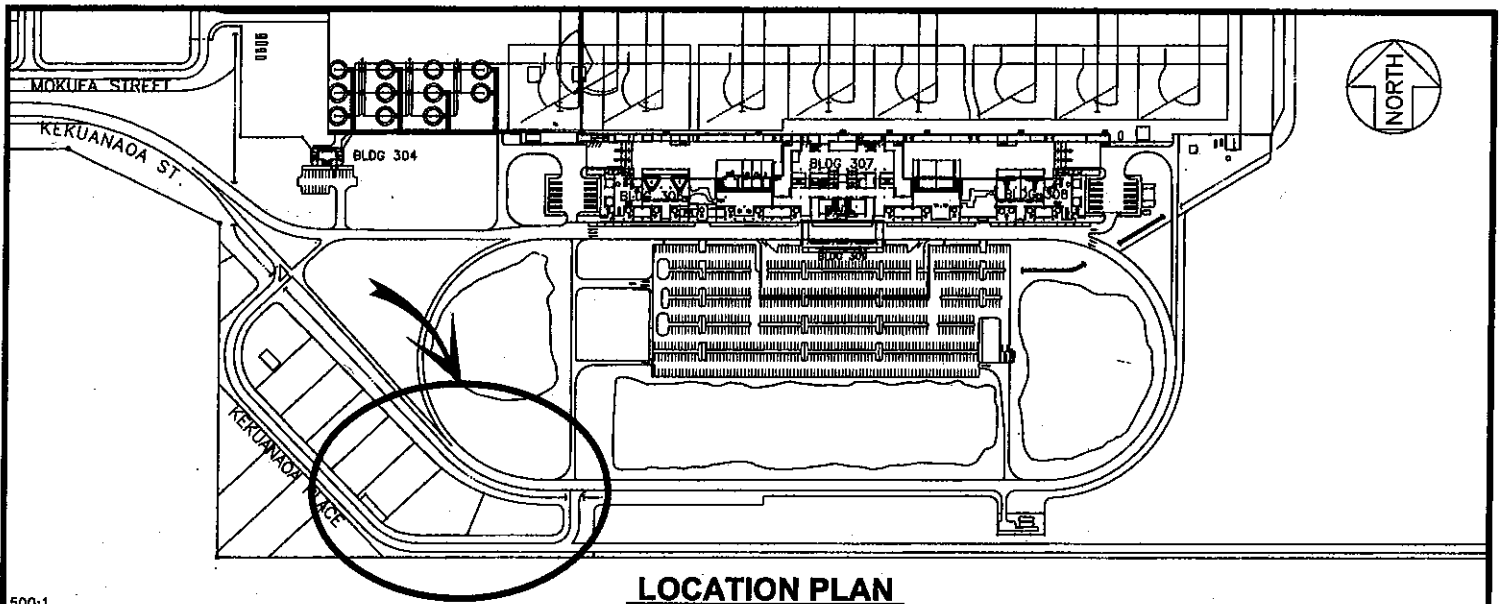
~~That the Board authorize the Department of Transportation to issue a direct lease to Vanguard Car Rental USA, Inc., dba Alamo Rent-A-Car, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.~~

Respectfully submitted,

  
MICHAEL D. FORMBY  
Interim Director of Transportation

APPROVED FOR SUBMITTAL:

  
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LAURA H. THIELEN  
Chairperson and Member



SCALE: 1" = 100'

AREA/SPACE	SQ. FT.
009 107	29,491

DATE : JUNE 2010

EXHIBIT: **B**



Airports Division

**VANGUARD CAR RENTAL  
USA, INC. dba  
ALAMO RENT-A-CAR**

**LOT**

**009107**

**PLAT 42**

**HILO INTERNATIONAL AIRPORT**